



Republican Policy Committee

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Clinton's Recipe for Ignoring the Medicare Crisis

Stirring the Pot and Cooking the Numbers

A mystifying trend of unsubstantiated numbers coming from the White House regarding Medicare's impending bankruptcy continues. The latest claim, reported in the *Washington Post* on August 31, was this: "The Democrats also assert that the GOP reductions are far in excess of the \$89 billion needed to eventually balance Medicare's books. . . ."

According to the White House's second budget this year (Clinton II), they intended to slow Medicare Part A (hospital insurance) spending by \$79 billion over seven years. Now they have apparently raised that figure to \$89 billion, in contrast to both their earlier budgets. Furthermore, they have raised the stakes by claiming that this \$89 billion is adequate to "eventually balance Medicare's books" (*Washington Post*, 8/31/95).

The problem with this is two-fold:

- First, there is no verification for the White House's claims and they refuse to provide the information necessary to substantiate their claims.
- Second, by claiming the adequacy of an unrealistically low figure they are inviting the public to ignore the Medicare crisis to which Medicare's trustees (dominated by members of Clinton's own cabinet) have already attested.

The fact is that the independent and nonpartisan Congressional Budget Office (CBO) has not shown that reducing Medicare spending by as little as \$89 billion would keep the Part A trust fund solvent, out of bankruptcy, or even how long the White House's unsubstantiated "proposal" would extend the fiscal life of the trust fund.

In contrast, CBO has certified that the budget resolution passed by Congress would keep Medicare solvent beyond FY 2005.

Evidently, the White House's use of the \$89 billion figure is just the latest installment in a series of irresponsible acts that are more concerned with political strategy than Medicare's solvency.

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